MILIP MORRIS USA INTEH-DEFIDE COMPENDENCE

lim Morgan Mike Szymanczyk

Bob Milalay

SUBJECT:

Care de October Promotions

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Craig and I need you two guys to resolve a Marketing/Sales issue. The original PPP had a national Cambridge carton promotion scheduled for October. Subsequent to the strategic management decision to re-structure pricing, we had to scrap the original promotion, which was a coupon offer plus a continuity bounce-back and re-design the program to be value-added (free sweatshirt with carton purchase). We have accomplished the change and will be ready to deliver the new promotion on schedule.

Here's the problem. Somehow the authorization letters requiring RVP signatures which were to have been mailed before 7/1 were not mailed, thus not allowing the necessary, and agreed upon, 90 days notice. As such, Trade Marketing has said "no go, move to November". I believe we should run in October for the following reasons:

- 1) The brand will have gone six months without promotion in its critical supermarket trade class.
- 2) Coupon coverage will have been absent for 2 1/2 months, and the promotion will get us some needed visibility and consumer awareness.
- 3) October currently has a lighter promotion work load than November and November PPP includes two discount promotions (Cambridge 2 pack promotion as well as a Basic carton/pack promotion).

Craig and I will agree to wholeheartedly abide by your joint decision!

RLM:DH

cc: C. Johnson M. Mahan

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